

**PROPERTY ASSESSMENT APPEAL BOARD**  
**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2021-090-10018R

Parcel No. 007070340800010

**Dennis Parker,**

Appellant,

vs.

**Wapello County Board of Review,**

Appellee.

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**Introduction**

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on April 22, 2022. Dennis Parker is self-represented and asked that the appeal proceed without a hearing. Wapello County Assessor Gary Smith represents the Board of Review.

Dennis and Sandra Parker own a residential property located at 12337 160th Avenue, Ottumwa, Iowa. Its January 1, 2021, assessment was set at \$249,250. (Ex. A). Subsequently, an equalization order was issued by the Iowa Department of Revenue (IDR) resulting in an equalized value for the subject property of \$266,690, allocated as \$30,170 in land value and \$236,520 in building value. (Exs. A & B).

Parker petitioned the Board of Review during its Special Equalization Session claiming the property's equalized assessment resulted in the subject property being valued in excess of that permitted under section 441.21 of the Iowa Code. (Ex. C.) The Board of Review denied the petition. (Ex. B).

Parker then appealed to PAAB. Parker's appeal form claims that his property's assessment is not equitably assessed as compared to other like properties and that there is an error in the assessment. *Id.* 441.37(1)(a)(1)(a & d) (2021). However, because Parker's appeal is from the application of an equalization order, the only claim

PAAB can consider is whether equalization order results in the subject property being over assessed. § 441.49(4).

## **General Principles of Assessment Law**

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

## **Findings of Fact**

The subject property is a one-story log home with a finished attic built in 1996. It has 2000 square feet of gross living area, a full walk-out basement with 550 square feet of living-quarters quality finish, an open porch, a wood deck with a gazebo, and a concrete patio. There is also a detached 576-square-foot garage, a detached carport, a shed, and a dock. The improvements are listed in normal condition with a 3+00 grade (good quality). (Ex. A).

Parker asserts he has not done anything to the property but upkeep and added solar panels and a small storage shed. (Ex. C & Appeal). He notes the assessment increased from \$250,830 to \$296,690 which he believes is too much of an increase in one year.

According to the Wapello County equalization study, 486 residential sales were analyzed and the mean assessment to sale price ratio was found to be 94.80%. Thus, it was determined residential assessments were below market value and required equalization to correct the imbalance. Iowa Dep't of Revenue, Summary of Real Estate Assessment 2020: Sales Ratio Study (October 27, 2021) *available at* <https://tax.iowa.gov/sites/default/files/2021-11/SummaryRealEstateAssessment2020SalesRatioStudy.pdf>. As a result, Wapello County received a 7% equalization order in 2021 from the IDR pursuant to Iowa Code section 441.47. Iowa Dep't of Revenue, 2021 Final Equalization Orders (September 24, 2021) *available at* <https://tax.iowa.gov/sites/default/files/2021-09/2021FinalEqualizationOrders.pdf>. This increase was to be applied to all residential properties in Wapello County, and was applied to the subject property. The purpose of equalization is to “maintain equitable assessments among classes of property and among assessing jurisdictions.” Iowa Dep't of Revenue, What is Equalization? *available at* <https://tax.iowa.gov/what-is-equalization>.

### **Analysis & Conclusions of Law**

The only claim PAAB may consider in an equalization appeal is whether the equalization order results in the subject property being over assessed.

In an appeal challenging the application of an equalization order, the claim is essentially that the valuation “will result in a greater value than permitted under section 441.21.” *First State Bank v. Bd. of Review of Monroe Co.*, 424 NW.2d 441, 443 (Iowa 1988). Any adjustment by PAAB to the assessment “shall not exceed the percentage increase provided for in the department’s equalization order.” § 441.49(4).

In determining market value, “[s]ales prices of the property or comparable property in normal transactions reflecting market value, and the probable availability or unavailability of persons interested in purchasing the property, shall be taken into consideration in arriving at market value.” *Id.* Using the sales price of the property, or sales of comparable properties, is the preferred method of valuing real property in Iowa. *Id.*; *Compiano*, 771 N.W.2d at 398; *Soifer*, 759 N.W.2d at 779 n. 2; *Heritage Cablevision*

v. Bd. of Review of Mason City, 457 N.W.2d 594, 597 (Iowa 1990). “[A]bnormal transactions not reflecting market value shall not be taken into account, or shall be adjusted to eliminate the effect of factors which distort market value . . . .”

§ 441.21(1)(b). Abnormal transactions include, but are not limited to, foreclosure or other forced sales, contract sales, discounted purchase transactions, or purchases of adjoining land or other land to be operated as a unit. *Id.*

We understand Parker’s assertion regarding the value increase for his property. However, Parker did not submit any evidence of the subject property’s fair market value, which is necessary to show the equalization order resulted in the property being over assessed. Typically, this evidence is a competent appraisal or comparative market analysis or, at a minimum, recent sales of comparable properties adjusted for differences between them and the subject property. Because of the lack of the foregoing required evidence his claim must fail.

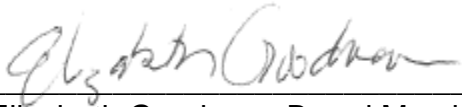
## **Order**

PAAB HEREBY AFFIRMS the Wapello County Board of Review’s action.

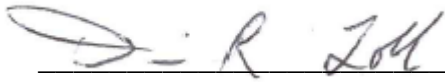
This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2021).

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

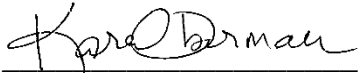
Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Elizabeth Goodman, Board Member



Dennis Loll, Board Member



Karen Oberman, Board Member

Copies to:

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Wapello County Board of Review by eFile